



## Retail Q & A

Answers to frequently asked questions about the city's retail development efforts

### Why is the city putting so much emphasis on retail?

The city focuses on retail, tourism and commercial/industrial companies. Because of the tax structure in Virginia, Hampton makes more money from retail sales than from commercial/industrial businesses. The State is the major beneficiary on commercial and industrial projects since they, and they alone, tap into corporate and personal income taxes. A study by the Hampton Roads Planning District Commission found that the State gets nearly three times the tax revenue that cities get on commercial and industrial projects.



Retail sales are the city's third largest source of local revenue. The city needs this income to pay for city services. The city also needs commercial/industrial businesses to bring higher paying jobs to Hampton. So, the city invests in both.

### Isn't the city sacrificing businesses which pay higher salaries for its retail investments?

No, Hampton has had a lot of success in attracting high wage companies to Hampton, including Nextel, Howmet, Computer Sciences Corporation, Aluminum Precision Products and Gateway (which still employs 900 people in Hampton). But, the city still gets a greater return cash-wise from its retail investments. For example, the city's payback on Gateway is 4.6% a year. The city's projected payback on The Power Plant is 34% a year.

### We already have a lot of retail. Why do we need more?

Hampton has lost a net total of 600,000 square feet from its shopping center space since 1998. The Power Plant and Crossroads project combined will add a total of 730,000 square feet of new retail and entertainment.

The city's costs to provide citizen services is growing faster than our property tax and retail sales revenues, so if we don't increase our retail sales, we will have less money to pay for citizen services. The other alternative is to raise real estate taxes, and the city tries to avoid that whenever possible.

Other cities in the region have had much higher sales growth than Hampton so they had more money to pay for such things as their schools, parks and police. To the right is a chart of the increases in taxable sales dollars collected. This means, for example, if Hampton had the same level of taxable sales growth Newport News had, we could have paid for an additional 23 officers each year of the five years since 1995.

#### Increases in retail tax dollars collected 1995 - 2001

VA Beach	\$7,347,851
Chesapeake	\$6,752,243
Newport News	\$4,840,059
Norfolk	\$3,992,463
Hampton	\$ 648,850

Source: VA Dept. of Taxation for calendar year & rounded

### The Power Plant doesn't have anything but a Lowes. Super K-Mart has even stopped construction.

That's true. The developer was not able to lease any more tenants in The Power Plant until some court cases involving land control were resolved, which has just recently happened. So, now the developer is negotiating leases, and we expect to have some announcements soon. If K-Mart does not follow through with plans for its new super store at The Power Plant, the developer will lease that space to other major retailers, as he is required to do.

### But, wasn't The Power Plant supposed to offer something unique?

Yes, there were always two parts of the project — a big box component and a lifestyle, retail-entertainment component. The entertainment part of the project, which was held until the land was under control, is the part that brings new and exciting retailers to Hampton. The entertainment part is expected to make Hampton stand out from its competition and to draw new customers into the region with retailers unique to the region.

The big box component required the developer to include the type of retail that Hampton residents are driving to in other communities so that the city can keep those important tax dollars in Hampton. When Hampton residents spend money in other cities, they are helping those cities pay for their schools, parks and police. We want Hampton residents to be able to spend their money in Hampton so that they can reinvest in our schools, parks and police instead. Lowes and Super K-Mart are among the most frequently mentioned stores Hampton residents say they visit in other communities.

### When are we going to hear about the entertainment tenants?

Now that the city has control of the land, the developer is expected to announce new tenants shortly. The developer previously could not sign leases for property that was still in litigation.

### Why Bass Pro?

Bass Pro is the ultimate lifestyle, retail-entertainment tenant and a major retail tourist attraction. In fact, it is the largest tourist attraction in Missouri. Shopping is the number one activity of tourists in the U.S., and in Virginia, the number one tourism attraction is Potomac Mills. So, Bass Pro offers Hampton more than just a store. It draws people from many miles away, individual families as well as busloads of people who are brought by tour bus operators. These visitors will stay in Hampton hotels and shop and dine in its other stores and restaurants and visit its other attractions.

### Why can't the city just make The Power Plant developer live up to his part of the deal instead of getting the city involved with Bass Pro?

The city is making the developer fulfill his part of the deal by requiring him to bring the types of tenants that will attract new customers to the region and make Hampton a unique retail and tourism destination. The city asked the developer to try to get Bass Pro because it is more than just a retailer. Based on its track record in other communities, it has the potential to make Hampton a unique retail and tourism destination in Southeast Virginia. Bass Pro's proposal requires city involvement, as it has in other communities, either directly or indirectly.

### Why is the city paying the developer \$22 million for Bass Pro?

This is not true. The city did not consider paying the developer \$22 million for Bass Pro. The Bass Pro proposal was for Bass Pro to pay the city rent and part of the tax revenue toward the cost of constructing a building. Bass Pro is such a unique and successful retailer that it is able to command the same deal wherever they go —



whether it is Dallas, Charlotte, Oklahoma City or Hampton, Virginia. Bass Pro expects communities/developers to pay for the construction of their building for them. In return, Bass Pro signs a long-term lease and agrees to pay rent that largely covers the cost of the building over time. This is not a new approach here. The city paid to construct a building

for a business in Hampton Roads Center and leased the building to that business. It's also similar to when a bank provides financing for a loan which is paid off over time.

### What has the city decided on Bass Pro?

City Council did not accept the first Bass Pro proposal presented to the developer. City Council wanted to get more information from Bass Pro and to look at other ways to structure the deal. To do that, Bass Pro required the developer to sign a letter of intent to continue negotiations with them. City Council voted to support that letter of intent with the clear understanding that they wanted a better deal from Bass Pro and the developer. The information is being gathered and the negotiations are underway.

*This is part of a continuing series. Watch for answers to more questions like these in future editions of Hampton City Page. You can also visit the city's Web site at [www.hampton.gov](http://www.hampton.gov).*

## Small business seminar offered

The city's Economic Development Department and Retail Development Department will present their bi-annual small business/minority seminar series in four sessions- April 4,11,18 and 25, Council Chambers, City Hall, 22 Lincoln Street.

The workshops are designed to assist home-based and new business owners with their expansion efforts. A team of business experts from both the private and public sectors serve as workshop facilitators and make each session highly informative and interesting. Space is limited. For information and to register, call 727-6237.



## Pollution hurts

Want to help keep pollution from entering Hampton's waterways? The Hampton Watershed Restoration (HWR) project wants you to know these tips:

- Use fewer, less toxic lawn chemicals
- Keep cars from leaking
- Pick up litter and after pets
- Move cars for street sweepers
- Set out curbside waste properly & by 7 a.m.

HWR is sponsored by the city's Public Works Educational Programs and is funded in part by the U.S. EPA Environmental Education Program. For information, call 727-6325.



## Business ambassadors needed

Financial assistance programs available to Hampton businesses will be the topic of discussion at the Spring Ambassador Program Breakfast, scheduled April 16, 7:30 - 9 a.m. at Best Western Hotel, 2000 W. Mercury Blvd.

Sponsored by the Hampton Department of Economic Development, the event will feature three panelists who will address timely issues on available funding resources locally and statewide. Guest speakers include: Donald B. Price, Commercial Capital Corp.; R. Patrick Gomez, Tidewater Business Financing Corp.; and Anna Mackley Cobb, Virginia Small Business Financing Authority. Partnering with local companies to foster a



healthy business environment is essential to the economic vitality of Hampton. Through the Ambassador Program,

the city's Industrial Development Authority and Department of Development successfully team up with management executives to encourage the retention and expansion of existing businesses and recruitment of new companies.

Ambassadors market Hampton, both nationally and internationally, as one of the best places to live, work, visit, and invest. One of the best ways to sell Hampton's competitive advantages is working with the business community to spread the word.

For information on this event or to join the Ambassador Program, please call 727-6237.

## Calendar



### APRIL 8 Neighborhood Commission

Regular meeting, 6 p.m., Kenneth Wallace Neighborhood Ctr., 2315 Victoria Blvd., 727-6460, [www.hampton.gov/neighborhoods](http://www.hampton.gov/neighborhoods).

### Planning Commission

Regular meeting, 3:30 p.m., Council Chambers, City Hall, 727-6140.

### APRIL 10 City Council

Regular meeting, 7:30 p.m., Council Chambers, City Hall, 727-6315. Agendas on Web site: [hampton.gov/council](http://hampton.gov/council). Meetings broadcast live; re-broadcasts April 11 at 10 a.m., and April 13 at 3 p.m. on The City Channel TV-47.

### APRIL 11 Citizens' Unity Commission

Regular meeting, 6:30 p.m., Unity Room, Carmel Center, 136 Kings Way, 727-1379, [unity@hampton.gov](mailto:unity@hampton.gov).

### APRIL 14 Appalachian novelist

Author Sharyn McCrumb will share a story of her ancestors at a program sponsored by Friends of the Hampton Public Library.

McCrumb will appear with musician Jack Hinshelwood who has recorded Celtic and Appalachian music on guitar and fiddle.



Free, 2 p.m., Hampton Public Library, 2407 Victoria Boulevard, 727-1157.

### APRIL 17 School Board

Regular meeting, 7:30 p.m., Forum at Jones Magnet Middle School, 1819 Nickerson Blvd., 896-8107.

### APRIL 23 - JUNE 11 Special needs classes

Hampton's Healthy Families Partnership invites parents of special needs children to participate in a series of free classes where topics include: being an advocate for your child, discipline and structure, helping your child reach his/her full potential, and community resources.

Classes are held Tuesdays; dinner at 5:30 p.m., class from 6-8 p.m., 127 Franklin St. For information or to register, call 727-1300.

### APRIL 12 Mark O'Connor - Solo Violin



Violinist Mark O'Connor is widely recognized as one of the most gifted composers and brightest talents of a generation.

His work has been featured in programs too numerous to list and is not to be missed!

The American Theatre, 8 p.m., 722-ARTS, [www.hampton.gov/arts](http://www.hampton.gov/arts).

## International Children's Festival coming soon . . .

Continuing the theme of "Bringing the world to the city of Hampton," Hampton Parks and Recreation will once again host the International Children's Festival on Saturday, April 20, 10 a.m. to 5 p.m. in Mill Point Park. Part of the Virginia International Arts Festival's Waterfront Wave, the children's festival brings the exciting sights and sounds of distant lands to downtown Hampton.

This event offers a variety of opportunities for children and their families to experience the culture, geography, history and cuisine of exotic and distant places. With strolling musicians, storytellers and visual representations of natural wonders and historical landmarks, participants will feel the excitement of being transported to foreign lands.

Individuals and groups from 18 countries will weave a colorful tapestry of stories from Greece, Italy, Korea, India, Mexico, Ghana, Ireland, Germany, Africa, Native Americans, Spain, Nigeria, Kenya, Saudi Arabia, Egypt, Lebanon, Philippines, and Thailand. With plans to add more countries yearly, the International Children's Festival promises a blend of cultural diversity for years to come.

Passports to Adventure may be purchased for \$1 so children can have their visas stamped as they "visit" the different countries. A \$5 passport will be available for access to a craft zone of international crafts and hands-on activities. Admission to the festival is free with the purchase of passports optional. Ample parking is available in downtown Hampton.

For information, call 727-8311 or check out our Web site at [www.hampton.gov/parks](http://www.hampton.gov/parks).

